

Message Text

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73

ACTION EA-10

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 CIAE-00 INR-07

NSAE-00 EB-07 L-02 AID-05 IGA-01 SSO-00 /058 W

----- 074095

R 181158Z APR 75

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 2986

INFO SECDEF WASHDC

CINCPAC HONOLULU HI

CINCPACAF HICKAM AFB

CDR USARMY PROC AGCY FT SHAFTER HI

CDR USACC FT HUACHUCA AZ

COMUSMACTHAI BANGKOK

C O N F I D E N T I A L BANGKOK 6783

E.O. 11652: GDS

TAGS: MARR, TH

SUBJ: THAILAND FACILITIES MAINTENANCE CONTRACTS

REF: A. BANGKOK 6439

B. STATE 86353

C. BANGKKOK 2194

SUMMARY:

RTG OFFICIALS ALREADY ADVISED OF NEED TO GO IN-HOUSE.
TIME REMAINING BEFORE CONTRACTS EXPIRE INSUFFICIENT TO
NEGOTIATE OTHER SOLUTION. ARRANGEMENTS FOR INDIRECT
HIRE NOT FEASIBLE BECAUSE OF TIME CONSTRAINTS AND THE
PROBABLE ADVVERSE EFFECT IT WOULD HAVE ON THAI ACCEPTANCE
OF OUR GOING IN-HOUSE. GREATER UTILIZATION OF MILITARY
PERSONNEL ONLY REALISTIC ANSWER TO STATUTORY CEILING ON
DOD HIRE. END SUMMARY.

1. IN RECOGNITION OF OUR LACK OF TIME TO CONDUCT
MEANINGFUL NEGOTIATIONS FOR TAX EXEMPTION AND STILL
INSURE THE CONTINUATION OF NECESSARY MAINTENANCE SERVICES
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AT U.S. INSTALLATIONS SUBSEQUENT TO THE EXPIRATION OF THE

CURRENT CONTRACTS, WE HAVE INFORMALLY ADVISED RTG OFFICIALS OF OUR NEED TO EXERCISE THE IN-HOUSE OPTION (REF A). CONSEQUENTLY, THE NEGOTIATION SCENARIO PROPOSED IN REF B CANNOT BE FOLLOWED. EVEN IF WE HAD NOT ALREADY EXPRESSED OUR INTENTIONS, THE TIME NEEDED FOR IMPLEMENTING A CHANGE-OVER TO IN-HOUSE OPERATIONS WOULD HAVE PRECLUDED OUR DELAYING ACTION ON THIS OPTION UNTIL FORCE LEVEL NEGOTIATIONS HAD BEEN INITIATED. IN ACTUALITY, SUFFICIENT TIME NO LONGER EXISTS BEFORE THE CURRENT CONTRACTS EXPIRE TO EITHER REPROCURE FROM A TAX-EMPT THAI REGISTERED FIRM OR WORK OUT THE DETAILS OF A GOVERNMENT-TO-GOVERNMENT ARRANGEMENT, OUR PORPOSED FALLBACK POSITION (REF C). INCIDENTALLY, ON APRIL 17 MFA UNDER-SECRETARY PHAEN TOLD THE CHARGE THAT THE RTG'S REPLY TO THE KINTNER-SANYA LETTER WOULD REACH US SHORTLY AND WOULD BE "NEGATIVE". THE CHARGE' SAID WE WOULD GO AHEAD WITH EXPLORATION OF "IN HOUSE" ALTERNATIVE.

2. THIS TIME CONSTRAINT NECESSARILY AFFECTS THE FEASIBILITY OF WORKING OUT A GOVERNMENT-TO-GOVERNMENT ARRANGEMENT FOR INDIRECT HIRE EMPLOYEES. IN ADDITION, THE INDIRECT HIRE APPROACH WOULD BE SUSPECT IN THAI EYES, ESPECIALLY IF SOME OF EXISTING CONTRACTOR PERSONNEL ARE AMONG THOSE HIRED. THIS FACTOR WILL UNDULY COMPLICATE AND HINDER OUR RECEIVING FORMAL RTG APPROVAL FOR GOING IN-HOUSE. IF STATUTORY CEILING ON DOD HIRES LIMITS THE NUMBER OF CIVILVANS THAT CAN BE DIRECTLY EMPLOYED FOR AN IN-HOUSE OPERATION, WE STRONGLY RECOMMEND USING SERVICE PERSONNEL TO FILL THE REMAINING POSITIONS. THE RTG WOULD BE MORE RECEPTIVE TO THAT ALTERNATIVE SINCE UNIFORMED PERSONNEL COULD BE REWDILY ABSORBED WITHIN CURRENTLY AUTHORIZED FORCE LEVELS. WORKING OUT A DETAILED INDIRECT HIRE ARRANGEMENT WOULD TAKE MORE TIME THAN WE HAVE AVAILABLE.

3. WE RECOGNIZE THAT IN-HOUSE OPTION COULD ALSO BE REGARDED AS TEMPORARY EXPEDIENT PENDING NEGOTIATION OF OTHER ARRANGEMENTS THAT WOULD EVENTUALLY SUPERSEDE IT. BUT IN VIEW RTG'S HIGHLY FAVORABLE INFORMAL REACTION TO IN-HOUSE IDEA AND DIFFICULTIES INHERENT IN ALTERNATIVES, CONFIDENTIAL

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WE MUST RECOGNIZE THAT ONCE WE INITIATE IN-HOUSE OPTION, IT WILL BE PERMANENT. AGAIN, WE RECOMMEND THIS.

4. REQUEST YOUR CONCURRENCE IN OUR CURRENT PROPOSAL (REF A) WHICH APPARENTLY CROSSED YOUR CABLE (REF B). MASTERS

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